

# State of Michigan Comprehensive Annual Financial Report

Management Discussion and Analysis										
Government-wide financial statements			Fund Financial Statements							
Governmental Activities	Business Type Activities	Discretely Presented Component Units	Governmental Funds		Proprietary Funds			Fiduciary Funds		
			Each Major Fund	Aggregate Nonmajor Funds	Each Major Enterprise Fund	Aggregate Nonmajor Enterprise Funds	Internal Service Funds	Pension (and OBEB) Trust Funds	Private Purpose trust Funds	Agency Funds
Each Major Governmental Fund, Aggregate Nonmajor governmental funds, and Internal Service Funds	Each Major Enterprise Fund and Aggregate Nonmajor Enterprise Funds	Major and Nonmajor Authorities and Major and Nonmajor Universities	General Fund	Special Revenue, Debt Service, Capital Projects, and Permanent Funds	State Lottery Fund	Attorney Discipline System and Liquor Purchase Revolving Fund	Correctional Industries, State Sponsored Group Insurance, IT, Office Services, Motor Transport and Risk Management Funds	Deferred Comp Funds, Legislative, State Police, State Employees, Public Schools, Judges, and defined contribution Retirement Funds	Michigan Education Savings Plan, Escheats Fund, Gifts, Bequests and Deposits, Hospital Patient Trust Fund	Environmental Quality and Insurance Carriers Deposit Funds, Child Support Collection Fund
			School Aid Fund		Unemployment Compensation Funds					
Notes to the Financial Statements										
Required Supplementary Information other than the Management Discussion and Analysis										
Supplementary Information – Combining and Individual Fund Statements and Schedules – Nonmajor Funds										
Statistical Section										
Other Information										

The SOMCAFR can be viewed on the Department of Technology, Management and Budget's website at:

[http://www.michigan.gov/budget/0,4538,7-157-13406\\_13419---.00.html](http://www.michigan.gov/budget/0,4538,7-157-13406_13419---.00.html)

**Management Discussion and Analysis:** Provides financial managers with the opportunity to present both long and short term analysis of the government's activities. It should be an objective and easily readable analysis of the government's financial statements based on currently known facts, decisions, or conditions.

**Government-wide Financial Statements:** These statements provide information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business type activities. Governmental Activities generally are financed through taxes, intergovernmental revenue, and other non-exchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services. Discretely Presented Component Units are legally separate public bodies that the primary government is financially responsible for because it appoints a majority of the organization's governing board, and is either able to impose its will upon the entity or there exists a financial benefit or burden relationship with the primary government. Financial statements are reported using the economic resources measurement focus and accrual basis of accounting.

**Fund Financial Statements:** Separate fund statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary and Fiduciary funds are reported using the economic resources measurement focus and accrual basis of accounting.

**Notes to the Financial Statements:** The notes should communicate information that is not displayed on the face of the financial statements, but is essential for fair presentation of the financial statements. The notes are considered an integral part of the basic financial statements and should focus on the primary government. The following notes may be of interest to this committee:

- Note 1 Summary of Significant Accounting Policies
- Note 2 Funds and Component Units by Classification
- Note 10 Pension Benefits
- Note 11 Other Postemployment Benefits
- Note 13 Bonds and notes Payable – Primary Government
- Note 14 Bonds and Notes Payable – Discretely Presented Component Units
- Note 15 Other Long Term Liabilities
- Note 17 Deferred Compensation Plans
- Note 24 Contingencies and Commitments
- Note 26 Subsequent Events

**Required Supplemental Information (other than MD&A):** Provides budgetary comparison schedules and information on infrastructure assets using the modified approach.

**Supplemental Information:** Includes combining and individual fund statements and schedules for the nonmajor funds presented for additional analysis.

**Statistical Information:** Presents information related to financial trends, debt capacity, demographic and economic information and operating information. Information that may be of interest to this committee includes:

- Ratios of Outstanding Debt by Type
- Ratios of Net General Obligation Bonded Debt Outstanding
- Debt Service Coverage - Comprehensive Transportation Fund Related Bonds
- Debt Service Coverage – State Trunkline Fund Related Bonds
- Debt Service Coverage – State Building Authority

**Other Information:** Provides other information related to revenues, financing sources, budgetary sources and dispositions, bond proceeds and capital lease acquisitions, and expenditures.